

EMPLOYER BULLETIN

Instructions for Filing the Employer's Annual Report of Earnings and Related Forms

June 2004

Introduction

This bulletin will assist you with completing the Employer's Annual Report of Earnings form and other related forms listed in the next section. Please refer to it as you complete the forms.

Reports and forms

The reports and forms below refer to using the Automated Reporting System (ARS) unless noted. Please send us the following items:

- Employer's Annual Report of Earnings form (submitted on a diskette)
- Summary and Certification of Employer's Annual Report of Earnings form **(signed)***
- Reconciliation of Health Insurance Contributions form*
- Employer's Sick Leave Report form (submitted on diskette)
- Employer's Leave of Absence Report form (submitted on diskette)
- Sabbatical Leave Certification form (if applicable, submitted on diskette)
- Edit Report*
- Retirement Contribution Compliance Questionnaire. The questionnaire is not created by ARS.

**Prepare and print these forms using the ARS. Please refer to the ARS Help System.*

Employers filing manually with fewer than 50 contributing members are provided one copy of these forms. Please make copies of the Employer's Annual Report of Earnings form, if needed.

Refer to the *Employer Guide*, Chapter 5, for instructions on completing these forms. Keep a

copy of all forms you submit to us in the annual reporting process. If you need assistance, call our Employer Services Department at (888) 877-0890, option 1.

Automated Reporting System

Employers with 50 or more contributing members are required to file the annual report form using the ARS. Employers with fewer than 50 contributing members may file using paper forms but are strongly encouraged to file using the ARS.

The ARS software is on the enclosed compact disk (CD).

The ARS software has been upgraded to Version 8.0. Use Version 8.0 for filing the 2003-04 Employer's Annual Report of Earnings form. ARS users should delete Version 7.0 and install Version 8.0 following the instructions in the Automated Reporting System installation booklet that accompanies this bulletin.

Refer to the TRS Summary of Annual Report Documents and Annual Report Checklist on page 8 of the ARS booklet for a list of documents that are required to be submitted with the annual report form.

Employer's Sick Leave Report

On the Employer's Sick Leave Report form, list all teachers who terminated employment during or following the 2003-04 school year due to retirement, resignation, or death. This form allows us to record unused, uncompensated sick days from former employers throughout the teacher's career.

Do not send a paper copy of the Employer's Sick Leave Report form to us. The form should be submitted electronically along with the annual report on the annual report diskette. Sometimes

districts have teachers who have been involuntarily laid off due to a reduction in force (RIF) and as of the August 15 annual report deadline, you don't know who is going to be rehired. Please complete the form based upon the information you have when filing the annual report, then if anyone is rehired or turns in their resignation after you have submitted your annual report diskette, send us a revised sick leave report.

If a teacher terminates employment, but is later rehired and previously reported sick leave days are reinstated, the previously reported sick leave days are not reportable until the teacher terminates employment again. Please submit a corrected sick leave report to reduce the teacher's reported sick leave days to zero.

If a teacher terminates employment, but is later rehired and previously reported sick leave days are not reinstated, no corrections to the previously submitted sick leave report are necessary. However, future sick leave reports must include only the sick days for the second period of employment.

Leave of Absence Report

Complete a Leave of Absence Report form for each member who was on an **unpaid** leave of absence during any portion of the 2003-04 school year. Include those on leaves under the Family Medical Leave Act (FMLA) of 1993, reductions in force (RIF), or any other type of **unpaid** leave.

The member may be able to purchase TRS service credit for the period during the unpaid leave of absence. Listing a member on this form allows us to notify the member of his or her right to claim the service credit. While we may need additional information, the information listed on the form allows us to begin processing the claim. Completing the form also reduces inquiries in future years when the member realizes the potential for claiming the unpaid leave of absence for optional service credit. Without the completion of this form, inquiries often are made several years after the leave occurred, resulting in a request for information from you that sometimes is decades after the leave.

Do not send paper copies of the Leave of Absence Report forms to us. The forms should be submitted electronically along with the annual report on the annual report diskette.

Sabbatical Leave Certification

Complete a Sabbatical Leave Certification form for each member who was granted a paid sabbatical leave of absence in accordance with the School Code (105 ILCS 5/24-6.1) for any portion of the 2003-04 school year. This section does not apply to leaves of absence granted for other reasons.

Please refer to Chapter 6 of the *Employer Guide* or the School Code for more information about sabbatical leaves.

Do not send paper copies of the Sabbatical Leave Certification forms to us. The forms should be submitted electronically along with the annual report on the annual report diskette.

Reporting reminders

Reporting reminders are listed below. Refer to the *Employer Guide* for more reporting requirements and examples.

- **If a member has more than one employment type** during the 2003-04 school year, list the member *only once* on the Employer's Annual Report of Earnings form. Refer to the *Employer Guide*, Chapter 5.
- **For substitute (S) and part-time noncontractual (H) employment types**, report only extra duties that require teacher certification. Do **not** report extra duties that do **not** require teacher certification. Refer to the *Employer Guide*, Chapter 3.
- **Include the total number of days paid for part-time noncontractual (H) employment types** (e.g., tutors, homebound teachers). Do not enter hours. Refer to the *Employer Guide*, Chapter 5.
- **Report each day that a member is paid Monday through Friday, regardless of the length of the day.** Do **not** convert partial days to full-day equivalents. Refer to the *Employer Guide*, Chapter 5.
- **Sick leave days granted** to a member when the member terminates employment to increase that member's retirement credit cannot be used to establish TRS service credit. Refer to the *Employer Guide*, Chapter 6.

- **Due to qualified plan salary limitations, we must enforce limitations of salary creditable toward a retirement benefit.** The salary limit applies only to persons first establishing membership after June 30, 1996, and is set at \$200,000 for the 2003-04 school year. Persons who first established membership prior to July 1, 1996, are not affected by the limitation. Refer to the *Employer Guide*, Chapter 3.
- **TRS contributions and Teachers' Health Insurance Security (THIS) Fund contributions must be paid on summer earnings.** Wages for performing summer duties that require teacher certification are reportable for all active TRS members. Like the regular school term, TRS guidelines for reporting summer extra duty wages that do not require teacher certification vary depending upon the teacher's employment type. Refer to the *Employer Guide*, Chapter 3.
- **Members called to active military duty or active military training** will receive service credit with TRS while on active duty or training. Please complete question 9 on the retirement contribution compliance questionnaire. A TRS employer services auditor may request additional information during the review of the Employer's Annual Report of Earnings form. Refer to the *Employer Guide*, Chapter 5.
- **If additional contributions are due** after you complete the Summary and Certification of Employer's Annual Report of Earnings form and the Reconciliation of Health Insurance Contributions form, remit the required contributions using the electronic funds transfer (EFT) program.
 - **Use option 1** of the EFT script when remitting TRS member and employer retirement contributions. Enter "2004" as the fiscal year for which you are remitting contributions and "60" for the pay period.
 - **Use option 2** of the EFT script for remitting member and employer THIS Fund contributions. Enter "2004" as the fiscal year for which you are remitting contributions and "60" for the pay period.

Late-payment penalty

July 10, 2004, is the last day to deposit all required contributions for the 2003-04 fiscal year. Delinquent payments are subject to a late-payment penalty. The penalty assessed is the greater of

- an amount representing the interest that TRS could have earned if contributions had been received by the due date or
- \$50.

Please refer to the *Employer Guide*, Chapter 4, for more information. We will notify you of any penalty due.

Filing deadline

August 15, 2004 is the filing deadline for the Employer's Annual Report of Earnings form. This form should be completed using the proper medium and report creditable earnings in accordance with applicable laws and rules. If your form does not conform with these requirements, it may be returned to you and will not be deemed received until it is properly corrected and returned to us. **A \$250-per-day late-filing penalty will be assessed for each day past the August 15 deadline that this form is not on file with us.** Refer to the *Employer Guide*, Chapter 5, for information about the late-filing penalty. If you are assessed a late filing penalty, the penalty will be reflected in the penalties sections of your Employer Bill.

Filing reminders

Before you mail your annual report diskette and the required completed forms to us, please be sure to

- **sign** the Summary and Certification of Employer's Annual Report of Earnings form. On this form, you certify the accuracy of the Employer's Annual Report of Earnings and other related forms.
- **include** the Social Security numbers for all members listed on the Employer's Annual Report of Earnings form.
- **keep a copy** of the Employer's Annual Report of Earnings and all related forms submitted to us in the annual reporting process.
- **send the original of the paper copies** of the Summary and Certification of Employer's

Annual Report of Earnings form, Reconciliation of Health Insurance Contributions form, Edit Report, and Retirement Contribution Compliance Questionnaire to us with your annual report diskette.

- **do not send paper copies** of the Employer's Sick Leave Report form, Leave of Absence Report forms and Sabbatical Leave Certification forms. These forms are included on the annual report diskette.
- **keep your annual report information and notes readily available** until the middle of November. After we receive your Employer's Annual Report of Earnings form, an extensive review process takes place. TRS Employer Service Department auditors review all of the annual reports and complete the review process by the middle of November. Based upon telephone calls or correspondence with districts corrections to reported days paid, annual salary rate, creditable earnings, or federally funded salaries may be necessary. After all necessary corrections to an annual report are processed, you will receive a letter stating the annual report review is complete. The letter will indicate if corrections were made to the annual report. If corrections were made, you will also receive a separate report, titled Summary of Changes, listing every correction.
- **ensure** that a Member Information and Beneficiary Designation (MIBD) form has been filed with us for every new teacher listed on your annual report who has not previously participated in TRS. Once membership has been established with TRS, the MIBD form is only necessary for beneficiary designation changes.

Diskette shipping instructions

ARS users should send the diskette and related forms to our Springfield office. All required documents, including the diskette, may be filed in the same envelope. A formatted diskette and media mailer are included for your use. Follow the Diskette Shipping Instructions on page 12 in the ARS booklet.

Address Request Report

You may receive a Member Address Request Report after we have received and entered your annual report into our database. Teachers who do not have an address on file with us or have an invalid address will be shown on the report. Please verify the Social Security number is correct and then provide the addresses for the teachers. Also add any new members who have been hired for the 2004-2005 school year on this report. Please return the form to our Springfield office.

Report Difference Process

Once a review of the Employer's Annual Report of Earnings form is complete and all necessary corrections are processed, we will calculate the amount of TRS and THIS Fund contributions due based upon the earnings reported.

We will transfer any overpayment of TRS contributions to underpayments of TRS contributions. TRS acts as a service agent for the Illinois Department of Central Management Services for the collection of THIS Fund contributions. Because of this, we cannot process any transfers between the TRS contributions and the THIS Fund contributions.

If after any transfers of contributions an overpayment greater than \$50 exists, we will voucher the overpayment to the district.

If any amounts greater than \$50 are due, we will notify you on the Report Difference Contributions section of the monthly employer bill. For more information regarding the billing process please refer to Chapter 4 of the TRS *Employer Guide*.

Questions

If you have questions about completing the annual report or other related forms, please call our Employer Services Department at (888) 877-0890, option 1. You may also e-mail your questions to us at employers@trs.state.il.us.

Distribution

Please give a copy of this bulletin to your

- district superintendent,
- payroll department, and
- personnel department.